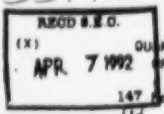
0-35943

EXECUTION COPY

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10Q



(X) QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

for the quarter ended February 29, 1992

92-2276

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

PROCESSED
APR 8 1992

Commission File Number: 0-12665

MICRO BIO-MEDICS, INC.

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

(Exact name of Registrant as specified in its charter)

New York

13-2692560

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

846 Pelham Parkway

Pelham Manor, New York

10803

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code

(914) 738-8400

717 South Third Avenue, Mt. Vernon, New York 10550

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

The number of shares of Registrant's Common Stock, par value $.03 per share outstanding as of April 6, 1992 was 1,822,852.

MICRO BIO-MEDICS, INC. AND SUBSIDIARIES

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTER ENDED FEBRUARY 29, 1992

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MICRO BIO-MEDICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

	Three Months Ended February 29. 1992	February 28, 1991
Net sales	$11,730,364	$9,526,294
Cost of goods sold	9,074,921	7,250,265
Gross profit	2,655,443	2,276,029
Operating expenses		
Selling, shipping and warehouse	1,384,995	1,257,700
General and administrative	1,061,441	907,549
Interest and financing costs-net	90,175	102,237
Total operating expenses	2,536,611	2,267,486
Income before income taxes	118,832	8,543
Income tax provision	52,300	3,800
Net income	$66,532	$4,743
Profit per common share	$ .04	$ .00
Number of shares used in computing profit per common share	1,814,351	1,774,509
Dividends per common share	None	None

The attached notes are made a part hereof.

MICRO BIO-MEDICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

ASSETS

	February 29, 1992 (UNAUDITED)	November 3 1991
Current Assets		
Cash	$676,448	$1,414,51
Accounts receivable, less allowance for doubtful accounts of $ 217,927 in February 1992 and $ 212,755 in November 1991	8,613,748	10,283,48
Inventory	4,613,550	4,766,12
Prepaid and deferred income taxes	230,776	241,43
Prepaid expenses and other current assets	925,472	488,72
Total current assets	15,059,994	17,194,29
Property, plant and equipment (partially pledged) at cost, net of accumulated depreciation and amortization of $ 1,287,342 in February 1992 and $ 1,221,342 in November 1991	1,214,266	1,115,06
Intangible assets, net of accumulated amortization of $ 398,345 in February 1992 and $ 390,695 in November 1991	1,031,996	1,021,06
Other assets	158,071	158,07
	$17,464,327	$19,488,49

The attached notes are made a part hereof.

MICRO BIO-MEDICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

LIABILITIES AND STOCKHOLDERS' EQUITY

	February 29, 1992 (UNAUDITED)	November 30, 1991
Current liabilities		
Current maturities of long term debt	$259,410	$254,805
Accounts payable	4,338,269	3,828,685
Accrued expenses and sundry liabilities	665,300	999,540
Income taxes		318,000
Total current liabilities	5,262,979	5,401,030
Long-term debt, net of current maturities	6,006,409	8,022,054
Accrued expenses	243,000	243,000
Total Liabilities	11,512,388	13,666,084
Stockholders' equity (Note C)		
Preferred stock $ 1.00 par value		
Authorized-1,000,000 shares		
no shares issued or outstanding		
Common stock $.03 par value		
Authorized - 7,000,000 shares		
Issued - 1,830,520 in February 1992		
- 1,794,185 in November 1991	54,675	53,825
Capital in excess of par value	2,445,802	2,383,652
Retained earnings	3,452,626	3,386,094
Less: 1,167 shares of common stock in treasury at cost	(1,164)	(1,164)
Total Stockholders' equity	5,951,939	5,822,407
	$17,464,327	$19,488,491

The attached notes are made a part hereof.

MICRO BIO-MEDICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

	Three Months Ended February 29	
	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$66,532	$4,743
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Expenses not requiring the use of cash:		
Depreciation and amortization	73,650	57,254
Provision for losses on accounts receivable	5,172	9,000
Excercise of employee stock options	13,000	
Issuance of common stock as compensation	50,000	28,125
Changes in assets and liabilities,		
Accounts receivable	1,664,568	1,026,458
Inventory	152,577	(583,261)
Prepaid expenses and other current assets	(436,745)	(247,057)
Other assets		(1,008)
Prepaid and deferred income taxes	10,658	(115,484)
Accounts payable	509,584	579,135
Accrued expenses and sundry liabilities	(334,240)	(270,766)
Income taxes payable	(318,000)	(25,000)
	1,390,224	457,396
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,456,756	462,139

(Continued)

MICRO BIO-MEDICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

CASH FLOWS FROM FINANCING ACTIVITIES:		
Net repayments under revolving loan agreements	(1,949,000)	(943,896)
Repayment of long term debt	(62,040)	(59,104)
NET CASH USED IN FINANCING ACTIVITIES	(2,011,040)	(1,003,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(183,783)	(49,871)
Net CASH USED IN INVESTING ACTIVITIES	(183,783)	(49,871)
NET (DECREASE) IN CASH	(738,067)	(590,732)
Cash - beginning of period	1,414,515	1,140,186
Cash - end of period	$676,448	$549,454
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$121,678	$131,992
Taxes	$360,076	$144,066

The attached notes are made a part hereof.

MICRO BIO-MEDICS, INC. AND SUBSIDIARIES
NOTES TO FORM 10-Q
FEBRUARY 29, 1992
(UNAUDITED)

NOTE A

The attached summarized financial information does not include all disclosures required to be included in a complete set of financial statements prepared in conformity with generally accepted accounting principles. Such disclosures were included with the consolidated financial statements of the Company at November 30, 1991, included in its annual report on Form 10-K. Such statements should be read in conjunction with the data herein.

NOTE B

The financial information reflects all normal recurring adjustments which, in the opinion of management, are deemed necessary for a fair presentation of the results for the interim periods. The results for the interim periods are not necessarily indicative of the results to be expected for the year.

NOTE C - STOCKHOLDER'S EQUITY

On January 23, 1992, the Board of Directors approved the issuance of 25,000 shares of Common Stock to an officer of the Company valued at $4 per share as additional compensation.

On March 12, 1992 the Company filed a Registration Statement with the Securities and Exchange Commission regarding a public distribution of non-transferable rights to purchase an estimated 459,000 Units at $9.00 per Unit. Shareholders will be granted the right to purchase one Unit for every four shares owned as of record on March 31, 1992. Rights, when issued , will be rounded to the nearest lower whole number of Rights. Rights may not be exercised for fewer than 50 Units. No fractional Units will be issued. Each Unit will consist of two shares of the Company's Common Stock and three three-year redeemable Common Stock Purchase Warrants. Any and all Units not purchased by the Company's shareholders in this new financing will be sold to an underwriter who is a member of the National Association of Securities Dealers, Inc. pursuant to a Standby Underwriting on a "firm commitment" basis.

MICRO BIO-MEDICS, INC. AND SUBSIDIARIES
FEBRUARY 29, 1992
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

For the three months ended February 29, 1992 net sales increased 23.1% from the prior year. The increase in net sales resulted from our continuing effort to increase market penetration.

Net operating income for the three months ended February 29, 1992 was .6% of net sales versus .05% for the prior year.

The improved operating performance for the three months ended February 29, 1992 is a result of increased market penetration, decreases in borrowing under the long-term credit agreement and decreases in the interest rates charged by financial institutions.

OPERATING EXPENSES

Gross Profit expressed as a percent of net sales decreased from 23.9% to 22.6% for the three month period ended February 29, 1992 due to changes in the product mix. Selling, shipping and warehouse and general and administrative expenses expressed as a percent of net sales decreased 1.8% for the three months ended February 29, 1992.

INTEREST AND FINANCING COSTS (NET OF INTEREST INCOME)

Interest expense net of interest income expressed as a percent of net sales decreased .3% for the three months ended February 29, 1992 as a result of decreases in the interest rates charged by financial institutions.

LIQUIDITY AND CAPITAL RESOURCES

During the three months ended February 29, 1992 the Company continued to meet its cash needs via cash flow from operations and borrowings.

For the three months ended February 29, 1992, the Company generated cash flow from operating activities. A decrease in accounts receivable and inventory combined with an increase in accounts payable contributed significantly to the Company's positive cash flow. During the three months ended February 29, 1992, the Company's financing activities resulted in a significant net repayment under its long-term credit agreement.

Management believes that its working capital combined with the amounts available under its long-term credit agreement provides sufficient cash flow to meet its short-term and long-term requirements without difficulty and barring any unforseen events should not experience any obstacles in connection with the maintenance of certain covenants as required by the credit agreement.

Item 6 - Exhibits and Reports on Form 8-K

a. Exhibits - None

b. No report on Form 8-K was required to be filed by Registrant during the quarter ended February 29, 1992.

MICRO BIO-MEDICS, INC. AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MICRO BIO-MEDICS, INC.

Registrant

Date: April 6, 1992

Bruce J. Haber President and Chief Executive Officer

Date: April 6, 1992

Gary L. Butler
Treasurer and Chief Financial Officer